

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF THE APPLICATION</b>	)	
<b>OF IDAHO POWER COMPANY FOR</b>	)	<b>CASE NO. IPC-E-05-2</b>
<b>AUTHORITY TO INSTITUTE TIME-</b>	)	
<b>VARIANT PRICING PILOT PROGRAMS</b>	)	<b>NOTICE OF APPLICATION</b>
<b>FOR CUSTOMERS PARTICIPATING IN</b>	)	
<b>THE AMR PHASE I IMPLEMENTATION</b>	)	<b>NOTICE OF MODIFIED</b>
<b>PROJECT</b>	)	<b>PROCEDURE</b>
	)	
	)	<b>ORDER NO. 29717</b>
	)	

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**NOTICE OF APPLICATION**

YOU ARE HEREBY NOTIFIED that on February 2, 2005, Idaho Power Company filed an Application seeking authority to institute time-variant pricing programs for customers participating in the Advanced Meter Reading (AMR) Phase I Implementation project. The Company requests that its Application be processed by Modified Procedure. In its Application the Company requests that the proposed Schedule 4 and Schedule 5 be approved effective March 4, 2005 and remain effective until April 1, 2006. However, the Company subsequently agreed and consented to an extension of the March 4, 2005 effective date.

YOU ARE FURTHER NOTIFIED that Idaho Power proposes two pilot programs for customers currently participating in the AMR Phase I Implementation project in the vicinity of the cities of Emmett and Letha, Idaho (Emmett Valley). The two proposed programs are: (1) Energy Watch Pilot Program, proposed Schedule 4; and (2) Time-of-Day Pilot Program, proposed Schedule 5. The Company proposes that both programs be offered to customers on an optional, voluntary basis.

YOU ARE FURTHER NOTIFIED that the Application states that, consistent with its prior commitment to investigate and file with the Commission time-of-use pricing programs that utilize the capability of the AMR technology, the Company has designed two new residential pricing programs that utilize the hourly energy consumption data made possible by the AMR implementation. The goal of the pilot programs is to provide information to evaluate the impacts and benefits of time-variant pricing to residential customers. Customers participating in the

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voluntary programs may experience reduced electric bills, while the Company may experience reduced power cost expenses by providing energy to customers during less expensive time periods. The Application also states that the programs will enable the Company to measure customer interest in and satisfaction with the programs, as well as implement and test electronic data transfer, billing, and metering systems that are necessary to successfully offer programs which rely on hourly meter readings.

YOU ARE FURTHER NOTIFIED that the Company proposes that cumulative enrollment in the two programs be limited to 300 metered service points, consisting of approximately 150 customers for each pilot program. Service under the two pilot programs would be available starting June 1, 2005, and continue through April 1, 2006. The Application also proposes that interested customers be required to notify the Company of their desire to participate by May 15, 2005, and that selection for the programs be on a first-come, first-served basis. Under both programs the energy rates for non-summer months would be the same as those customers on Schedule 1 service, while the summer rates would differ for those in the pilot programs.

#### **Energy Watch Pilot Program – Proposed Schedule 4**

YOU ARE FURTHER NOTIFIED that under this program customers would pay a substantially increased flat rate for energy consumption during a designated Energy Watch Period. Energy Watch Periods will be determined by the Company. Program participants will be notified of the declared Energy Watch Period by 4:00 p.m. the day ahead by telephone and, where available, by e-mail. Energy Watch Periods can occur on any weekday from June 15 through August 15, and will be for the hours of 5:00 p.m. to 9:00 p.m. The Company proposes that the Energy Watch Periods will occur on no more than 10 days from June 15 to August 15, for a total of 40 hours.

YOU ARE FURTHER NOTIFIED that current rates under Schedule 1 for residential customers are 5.0863 cents/kWh for the first 300 kWh and 5.7253 cents/kWh for all kWh over 300 kWh during the summer. The non-summer rate for Schedule 1 is 5.0863 cents/kWh for all kWh. Under the Energy Watch Pilot Program the proposed base energy rate for all hours other than the Energy Watch Periods is 5.0863 cents/kWh. During Energy Watch Periods the proposed base energy rate is 20 cents/kWh. The over-300 kWh pricing block will be eliminated.

Customers participating in the Energy Watch Pilot Program would continue to pay the monthly service charge of \$3.30.

**Time-Of-Day Pilot Program – Proposed Schedule 5**

YOU ARE FURTHER NOTIFIED that under this program customers would be given the opportunity to reduce their electric bills by shifting their summer usage, based upon three different price categories, from “on-peak” periods, when the cost to provide energy is highest, to the “off-peak” periods, when the cost to provide energy is the lowest. During the non-summer season, the pricing would be the same as that under Schedule 1.

YOU ARE FURTHER NOTIFIED that the three time-of-day periods for the summer season are defined and priced as follows:

<b>Time-of-Day Period</b>	<b>Definition</b>	<b>Energy Rate</b>
On-Peak	1:00 p.m. to 9:00 p.m., Monday through Friday	6.4781 ¢ per kWh
Mid-Peak	7:00 a.m. to 1:00 p.m., Monday through Friday	5.8090 ¢ per kWh
Off-Peak	9:00 p.m. to 7:00 a.m. on all days, and all hours on Saturday, Sunday, and the Fourth of July	4.9725 ¢ per kWh

The summer and non-summer seasons are defined the same as under Schedule 1, with the summer season beginning June 1 and ending August 31. Customers participating in the Time-of-Day Pilot Program will continue to pay the monthly service charge of \$3.30.

YOU ARE FURTHER NOTIFIED that the Application together with supporting workpapers, testimonies and exhibits, have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application and testimonies (excluding exhibits) are also available on the Commission’s Website at [www.puc.idaho.gov](http://www.puc.idaho.gov) under the “File Room” icon and then “Electric Cases.”

**NOTICE OF MODIFIED PROCEDURE**

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filings of record in Case No. IPC-E-05-2. The Commission has preliminarily determined that the public interest may not require a hearing to consider the issues presented in this case and that issues raised by the Company’s filing may be processed under **Modified Procedure**, i.e., by written submission rather than by hearing. IDAPA 31.01.01.201-204. In so doing, the Commission

notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that the Commission may not hold a hearing in this proceeding unless it receives written protests or comments opposing the use of Modified Procedure and stating why Modified Procedure should not be used. IDAPA 31.01.01.203.

YOU ARE FURTHER NOTIFIED that if no protests or written comments are received within the deadline, the Commission will consider the matter and enter its Order without a hearing. If protests or comments are filed within the deadline, the Commission will consider them and may, in its discretion, set the matter for hearing or decide the matter and issue its Order on the basis of the written positions before it. IDAPA 01.01.01.204.

#### **NOTICE OF COMMENT/PROTEST DEADLINE**

YOU ARE FURTHER NOTIFIED that **the deadline for filing written comments or protests** with respect to the Application and the Commission's use of Modified Procedure in Case No. IPC-E-05-2 is **March 11, 2005**. Persons desiring a hearing must specifically request a hearing in their written protests or comments.

YOU ARE FURTHER NOTIFIED that written comments concerning this case should be mailed to the Commission and to Idaho Power at the addresses reflected below.

Commission Secretary  
Idaho Public Utilities Commission  
PO Box 83720  
Boise, ID 83720-0074

Street Address For Express Mail:

472 W. Washington Street  
Boise, ID 83702-5983

Maggie Brilz  
Pricing Director  
Idaho Power Company  
PO Box 70  
Boise, ID 83707  
E-mail: [mbrilz@idahopower.com](mailto:mbrilz@idahopower.com)

Barton L. Kline  
Senior Attorney  
Idaho Power Company  
PO Box 70  
Boise, ID 83707  
E-mail: [bkline@idahopower.com](mailto:bkline@idahopower.com)

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the

Commission's homepage located at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click the "Comments and Questions" icon, and complete the comment form, using the case number as it appears on the front of this document. These comments must also be sent to the Applicant at the addresses listed above.

### **FINDINGS AND CONCLUSIONS**

The Idaho Public Utilities Commission has jurisdiction over Idaho Power Company, its Application to institute time-variant pricing pilot programs, and the issues involved in this case by virtue of Title 61, Idaho Code, specifically *Idaho Code* §§ 61-118, 61-119, 61-129, and the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

The Commission has preliminarily determined that the public interest may not require a hearing to consider the issues presented in this case, and that issues raised by the Company's filing may be processed under **Modified Procedure**, i.e., by written submission rather than by hearing. IDAPA 31.01.01.201-204. In so doing, the Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

### **ORDER**

IT IS HEREBY ORDERED that this case be processed under Modified Procedure. Persons interested in submitting written comments regarding this case or protesting the use of Modified Procedure should do so no later than March 11, 2005.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 24<sup>th</sup>  
day of February 2005.

Commissioner Kjellander Out of the Office  
PAUL KJELLANDER, PRESIDENT

  
MARSHA H. SMITH, COMMISSIONER

  
DENNIS S. HANSEN, COMMISSIONER

ATTEST:

  
Barbara Barrows  
Assistant Commission Secretary

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